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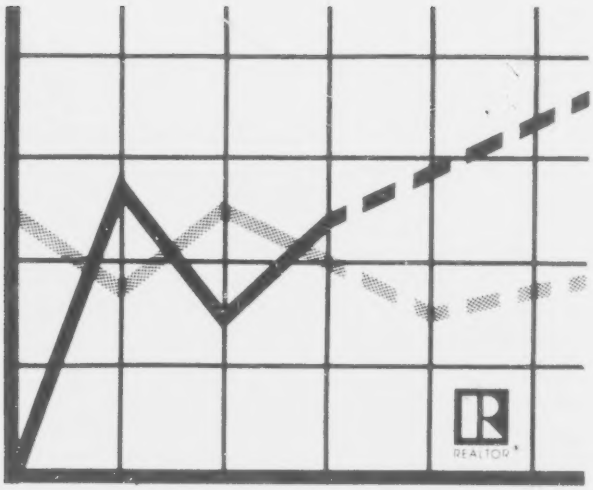
OUTLOOK FOR THE ECONOMY AND REAL ESTATE



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U.S. ECONOMIC AND REAL ESTATE OUTLOOK

More signs of the current recession in the U.S. appeared in November as consumer spending, industrial production and investment all declined. However, the downturn in economic activity has caused inflation to slow and interest rates--and especially short-term interest rates--to plummet, which should soon be followed by a modest drop in mortgage rates. After an average recession, recovery should begin in the spring, led by housing, autos, defense spending and exports.

The General Economy

After showing virtually no growth in the July to September period, the economy has entered another recession in the final quarter of 1981--the eighth recession since the war. Almost all sectors of the economy have now joined the housing sector in experiencing declining activity. Consumer spending, especially on cars and other durable goods, is falling despite the small cuts in personal income taxes which took effect on October 1. Business investment in new equipment is also contracting as the impact of high interest rates and prospects for slower growth until next spring offset any stimulus from recent tax law changes. In addition, businesses are starting to reduce inventories in the face of declining sales which will further depress output during the final three months of the year. The housing industry continues to be the hardest hit sector as a further 6% drop in residential investment is likely in the last quarter of 1981.

Overall output is expected to fall at a 6% annual rate during the October to December period--an average recession--before beginning to recover in the spring next year. The poor start next year will likely keep the growth in output to about 0.2% in 1982, significantly less than both the 1.8% achieved this year and the 3% average for the post-war period.

Led by an upturn in housing, autos and exports, next year's recovery should gather momentum in 1983 and push output growth to over 4%.

The unemployment rate rose sharply to 8.4% in November--up from 7.5% in September--to its highest level since the 1974-75 recession. Unemployment is expected to peak at around 8.8% by mid-1982 before starting to decline as the recovery gathers momentum in the second half of the year.

The short-term outlook for inflation provides one piece of encouraging news in the economy. Led by declines in home prices and stable mortgage interest rates and food costs, consumer prices rose at an annual rate of just 4.4% in October. With the expected decline in mortgage interest rates and with the recession putting some downward pressure on prices, inflation is expected to remain around 7% over the next few months. However, the underlying rate of inflation is still in the 9-10% range and as economic activity picks up in mid-1982 (and mortgage interest rates stop declining), inflation may accelerate again. Overall, consumer prices are expected to rise by almost 9% next year as

wage costs increase over 9% and productivity stagnates. Higher productivity growth in 1983 may take some pressure off unit labor costs, slowing inflation to moderate to at just over 8%. Even this modest progress in the inflation outlook could be jeopardized, however, if world oil prices start to accelerate again or if Congress accelerates the decontrol of domestic natural gas prices.

Federal Spending and Tax Policies

With almost a full quarter of the 1982 fiscal year gone, Congress has yet to finalize the appropriation (spending) bill for FY1982. Even when the second concurrent budget resolution is passed--with some additional minor spending cuts--this month, projected federal spending will still probably exceed $730 billion in FY1982, or nearly $35 billion, or 5%, more than originally planned. Meanwhile, the President is preparing to present the Administration's proposed FY1983 budget in January. The Administration is currently estimating next year's spending at $803 billion, with $854 billion officially forecast for FY1984. However, actual outlays will likely exceed these projections by as much as $60 billion in FY1984. Despite the widely publicized spending slowdowns in some areas proposed by the Administration and enacted by Congress, federal spending growth is clearly still out of control. Most of the "easy" non-defense outlay reductions have already been enacted and it will be difficult to achieve further slowdowns of the size necessary to bring down interest rates and revive the economy unless areas previously immune from the budget cutter's axe--such as defense and entitlement programs--are also reduced. The size of the task should not be underestimated--FY1982 spending needs to be reduced by nearly $35 billion and in FY1983 by over $60 billion--to move toward balancing in 1984, an objective the President has abandoned.

While federal spending continues to grow, the recession and the excessively large consumption-oriented tax cuts enacted by Congress earlier this year are eroding revenue growth. The Administration is currently forecasting total receipts of $622 billion this fiscal year--yielding a deficit of $109 billion. Nor will this deficit get smaller in subsequent years--the Administration is now forecasting a deficit of $150 billion in FY1983 and over $160 billion in FY1984.

With the prospects of massive deficits over the next three fiscal years, the Administration has been looking at various "revenue enhancement" measures to increase receipts. However, except for the increased revenue potentially available from accelerated decontrol of domestic natural gas prices, the revenues raised by most of these tax increases will do little to reduce these excessive future deficits.

Monetary Policy and Financial Markets

The recent dramatic declines in short-term interest rates primarily reflect the current recession (and consequent fall in loan demand) rather than a fundamental change in the Federal Reserve Board's tight monetary policies.

During November, the monetary authorities lowered the discount rate --the interest rate charged on bank borrowing from the Federal Reserve Board--from 14% to 12% in response to the significant drop in short-term market interest rates. The Federal Reserve Board has also indicated that it will allow a slightly faster growth in the broadly defined money supply (M2) during the final three months of the year in order to accomodate the increased public demand for All Savers Certificates. However, there has been no indication that the monetary authorities will ease their tight monetary policies for next year. The Federal Reserve Board is expected to keep the broadly defined money stock (M2) 1982 growth target at this year's 6-9% range. This would mean that time and savings deposits--the prime source of mortgage money--could be constrained to 4-6% growth next year.

As the current recession has deepened, the most dramatic declines have been in short term interest rates. Since mid-October, the prime rate has fallen from 18.5% to its current level of 15.5%--a drop of 300 basis points. Short-term borrowing costs for banks (such as rates on 3-month certificates of deposits) have fallen even more from 16% to under 12%. Declines in long-term rates have been smaller--only about 1.5 percentage points for government bonds--mainly because of the prospects for massive increases in the federal deficit over the next 3 years. A flood of new corporate bond issues after mid-November as businesses tried to reduce their heavy reliance on short-term borrowing has also prevented corporate bond rates from declining as rapidly as short-term rates.

Despite continuing tight monetary policies, the downturn in economic activity will probably keep long-term interest rates declining through February or March next year. However, as the economy starts to recover in the spring, loan demand picks up and federal government borrowing increases, interest rates will start rising again. After reaching a low point of about 14% in the first quarter of 1982, the prime rate is expected to rise gradually to year end. The rate on long-term bonds is also forecast to rise from a low of 13.5% to 15.5% over the same period.

Mortgage Markets

After reaching record rates in October, mortgage rates finally began to decline during November. Yields on mortgages purchased by the Federal Home Loan Mortgage Corporation fell from 18.0% to 16.3%. With short-term market rates expected to continue to fall through the first quarter of 1982, mortgage rates will be falling as well. However, like other long-term rates, mortgage rates are unlikely to fall much below 14%. The thrift institutions, still the primary mortgage lenders, may not be willing to allow mortgage rates to fall too far while facing the risk of short-term rates rising again later in the year, even with the adjustable rate mortgage. There is also an avalanche of potential demand for mortgage credit waiting for rates to drop within an affordable range.

Thrift institutions continued to suffer declining net worth even in October after the All Savers Certificates were introduced. The list of troubled savings and loans more than tripled in the first half of 1981 before the Federal Home

Loan Bank Board halted the tally. During October, sales of the All Savers Certificates were estimated at between $16.5 billion and $17.5 billion and there was a net deposit inflow of $1.46 billion. This was the first net deposit inflow recorded since February. Unfortunately, the associations continued to post losses as net worth for the associations declined $766 million. Mutual savings banks sold nearly $4 billion worth of the All Savers Certificates and even though this greatly reduced the net outflow of deposits from the $1.7 billion they suffered in September, they still had a net reduction in deposits of $100 million.

Meanwhile, money market mutual funds continued to attract funds at a rapid rate. They increased by nearly $9 billion during the month of October as they compete with depository institutions for funds.

With rates as high as they were in October, mortgage lending by savings and loan associations declined to $1.6 billion for new and existing homes. This compares with the 1981 high of $3.15 billion in June and $5.12 billion in October 1980.

We expect that mortgage lending activity will improve starting in the first quarter when mortgage rates slip below 15 percent. Lending activity could double from the bad third quarter in 1981 to the second quarter in 1982 as mortgage rates are 14-15%.

Residential Real Estate

In the last three months, housing markets have deteriorated seriously. By October, existing home sales had fallen below a two million annual rate for the first time in 10 years. Since the housing market peaked in November 1978, home sales have plummeted by 52%. Over the cycle, 2.86 million sales with a total value of over $200 billion have been lost.

New housing construction is also suffering. In October, housing starts stood at a 857,000 unit annual rate--the lowest rate in the history of the series. The extremely depressed level of permits issued in October generates further pessimism for the closing months of 1981.

Housing prices--recently a scapegoat for increases in inflation-- continue to suffer. In October, the median price of existing single-family homes sold stood just 4% higher than a year earlier. This is the lowest rate of housing price appreciation observed since 1970. Since these prices are not adjusted for inflation and do not include costs of creative financing passed from seller to purchaser, the real price of single-family homes has dropped dramatically in recent months--perhaps by as much as 10 percent.

Fortunately, the downturn in the housing market may have reached bottom. After poor performance expected in November and December, the long, slow climb to the needed levels of existing home sales and housing construction should begin. Steady improvement can be expected during 1982. Around 2.6 million

existing homes and 1.3 million new homes (starts) should be sold next year. Further improvement is expected during 1983 to 3.4 million resales and 1.6 million starts despite renewed upward pressure on interest rates.

Renewed sales activity should bring some of the lustre back to housing price performance. By the latter part of 1982, home prices should be increasing to match general inflation or a bit faster--a tendency which should continue into 1983.

The implications of this lengthy housing cycle must not be overlooked. Housing starts of about 2 million units per year are needed during the 1980's. By the end of 1983 the total construction for the decade will be 3.2 million units below that needed. With construction capacity of only slightly above 2 million units per year, the deficit cannot be made up during the 1980's. Lack of construction coupled with poor resale performance severely restrict the mobility of the American workers, thereby crippling the efficient operation of the U.S. economy. Forcing the housing industry to absorb a disproportionate share of the burden during hard times means the entire economy will find it harder to return to normal operation.

Commercial and Industrial Real Estate

Commercial and industrial construction activity has generally weathered the storm of record interest rates significantly better than housing. The volume of new commercial and industrial buildings put in place in October was little changed from September and up 19% on a year ago. Even more encouragingly, the F.W. Dodge Index--an indicator of future activity--showed an 11% gain in construction contracts for commercial and industrial building in October.

While some modest declines in nonresidential construction from the record levels of early 1981 can be expected during the first half of next year, the impact of lower interest rates, the mid-year turnaround in economic activity and the effects of this year's depreciation law revisions should result in an upturn in commercial and industrial building in the second half of 1982 which should continue into 1983. This recovery in nonresidential construction is expected to be strongest in the industrial and small office building sectors.

Table 1

U.S. ECONOMIC OUTLOOK

DECEMBER 1981

	QUARTERS								YEARS				
	Actual			Forecast					Actual		Forecast		
	81:1	81:2	81:3	81:4	82:1	82:2	82:3	82:4	1979	1980	1981	1982	1983
AGGREGATE ECONOMY													
Gross National Product ($ billions)	2,853	2,886	2,957	2,979	3,024	3,101	3,209	3,328	2,414	2,626	2,919	3,166	3,587
Percent Change	19.2	4.7	10.2	3.1	6.2	10.6	14.7	15.6	12.0	8.8	11.1	8.5	13.3
Percent Change (without inflation)	8.6	-1.6	0.6	-6.1	-0.7	2.7	6.3	5.4	3.2	-0.2	1.8	0.2	4.4
Consumption	5.8	-2.1	4.0	-1.9	3.4	7.1	5.5	5.1	2.9	0.5	2.7	2.3	3.9
Durables	24.1	-23.3	11.5	-12.6	6.8	4.3	21.3	12.9	0.2	-7.4	3.4	2.8	8.5
Nondurables	4.6	2.7	1.7	-2.0	4.8	2.3	2.5	3.0	2.6	1.1	2.3	2.1	1.9
Services	1.4	1.6	3.7	1.7	1.3	2.0	3.5	4.3	4.1	2.6	2.7	2.3	4.1
Residential Investment	3.2	-22.8	-32.7	-27.1	-9.7	41.4	36.9	32.9	-5.2	-18.6	-5.4	-2.8	26.4
Nonresidential Investment	13.4	-2.2	4.3	-5.3	-3.4	0.2	2.8	7.4	6.5	-3.0	2.0	-0.7	6.2
Structures	16.6	6.7	6.7	-2.4	-7.0	-4.1	-1.2	3.0	8.7	-0.1	4.4	-1.8	3.7
Equipment	11.8	-5.9	3.2	-6.7	-1.7	2.2	4.7	9.3	5.5	-4.2	1.0	-0.2	7.3
Exports	13.6	-2.4	-7.9	-2.9	0.8	1.1	5.9	8.0	16.2	9.6	-0.8	-0.1	7.0
Imports	10.3	14.3	10.8	1.0	1.4	4.9	8.6	9.4	6.0	-0.1	6.3	5.3	7.1
Government Purchases	5.3	-5.5	-1.5	-0.8	-1.5	-0.8	0.2	-4.3	1.5	2.9	-0.1	-1.5	-1.1
Consumption (% of GNP)	63.3	63.2	63.8	64.5	65.1	65.1	65.0	64.9	62.8	63.2	63.7	65.0	64.7
Residential Investment (% of GNP)	3.4	3.2	2.9	2.7	2.6	2.8	3.0	3.2	4.0	3.2	3.0	2.9	3.5
Nonresidential Investment (% of GNP)	10.7	10.7	10.8	10.8	10.7	10.6	10.6	10.6	11.0	10.7	10.7	10.6	10.8
Inventory Change ($ billions)	4.5	23.3	24.3	4.8	-10.8	-5.5	6.8	17.4	17.5	-5.9	14.2	2.0	21.3
Mfg. Capacity Utilization Rate (%)	80	80	79	75	75	75	77	78	86	79	79	76	79
Manufacturing Industrial Production (% change)	7.5	2.9	0.3	-12.1	0.2	6.7	12.7	11.3	4.6	-4.5	2.6	0.3	7.6
Employment (millions)	98.0	98.9	98.7	97.7	98.0	98.4	99.3	100.2	96.9	97.3	98.3	99.0	102.4
Unemployment Rate (%)	7.3	7.4	7.2	8.6	8.7	8.8	8.5	8.1	5.8	7.1	7.6	8.5	7.6
Auto Sales (millions of units)	10.1	7.8	9.1	7.7	8.2	8.4	9.2	9.7	10.6	9.0	8.7	8.9	9.9
Disposable Income per Household (average)	25,251	25,682	26,345	26,965	27,417	27,964	29,189	30,001	21,565	23,748	26,061	28,643	32,269
Percent Change -- Year Ago (w/o inflation)	0.3	1.9	1.5	1.4	0.7	0.8	2.9	3.5	2.2	-0.1	1.3	2.0	4.6
Total Taxes per Household (average)	13,341	13,382	13,641	13,351	13,588	13,907	13,968	14,434	11,106	12,057	13,429	13,974	15,229
Percent Change -- Year Ago	13.3	14.6	12.9	5.2	1.9	3.9	2.4	8.1	10.5	8.6	11.4	4.1	9.0
Household Debt as Percent of Disposable Income	77.9	78.1	77.5	76.7	76.7	76.2	74.0	73.3	80.2	79.4	77.6	75.1	71.3
Consumer Price Inflation (CPI)	10.8	7.5	11.9	7.6	8.1	7.7	8.4	8.8	11.3	13.5	10.3	8.5	8.2
Gross National Product Inflation (GNP Deflator)	9.8	6.4	9.5	9.8	6.9	7.7	7.9	9.7	8.5	9.0	9.2	8.2	8.5
Personal Consumption Inflation	8.0	6.5	9.1	8.1	7.7	7.5	7.3	7.4	8.9	10.2	8.4	7.8	7.7
Residential Construction Inflation	10.1	5.7	5.8	5.4	9.7	9.9	10.7	10.6	12.8	9.4	6.7	8.4	11.0
Nonresidential Construction Inflation	5.1	14.1	8.8	7.6	10.3	10.3	11.2	11.0	12.6	13.4	9.3	10.0	11.5
Producers Price Inflation (WPI)	9.5	9.2	4.4	1.5	8.4	8.5	9.5	9.8	12.5	14.1	9.2	6.9	10.2
Compensation per Manhour (% change)	11.4	9.8	9.3	9.2	9.5	9.1	9.3	9.1	9.7	9.9	10.1	9.2	9.3
Productivity (% change)	4.1	1.6	-2.4	-2.7	-1.1	1.5	2.9	2.5	-0.7	-0.3	1.1	-0.2	2.2
Unit Labor Cost (% change)	6.9	8.3	11.8	12.7	11.1	7.8	6.5	6.9	10.4	10.3	9.0	9.8	7.3
Unit Capital Cost (% change)	10.8	10.2	9.5	8.8	8.2	7.8	7.5	7.3	11.3	11.3	9.8	7.7	7.6
Before Tax Corporate Profits ($ billions)<1>	286	260	260	228	225	239	262	285	255	258	258	253	318
Corporate Tax Liability	88	76	77	64	63	68	76	85	88	82	76	73	94
'Windfall Profits' Tax Receipts	29	31	29	28	28	29	29	30	0	13	29	29	31
Inventory Valuation Adjustment	-39	-24	-26	-14	-26	-33	-36	-38	-43	-46	-26	-33	-42
Capital Consumption Adjustment	-15	-15	-13	-14	-11	-15	-19	-24	-16	-17	-14	-17	-28
After Tax Profits	169	153	154	136	134	143	156	170	168	163	153	151	192
Profits from Current Production (with IVA, CCA)	115	114	114	108	98	95	101	109	109	100	113	101	122
Adjusted for Inflation (81:1 base)	115	112	110	102	91	86	90	95	126	107	110	90	101
Percent Change - Year Ago	-1.1	6.9	4.9	1.3	-21.5	-23.3	-17.9	-7.1	-1.6	-15.7	2.9	-17.7	11.8
Per Unit of Output (% of GNP)	4.0	4.0	3.8	3.6	3.2	3.1	3.1	3.3	4.5	3.8	3.9	3.2	3.4
Effective Corporate Tax Rate (%)<1>	43	41	41	38	40	42	43	44	45	45	41	42	44
Federal Tax Receipts (Unified basis)	541	735	627	542	544	802	635	603	481	533	611	646	723
Federal Expenditures (Unified basis)	669	670	661	716	732	734	755	782	509	601	679	751	827
Surplus or Deficit (Unified basis)	-128	65	-34	-174	-188	67	-120	-179	-28	-68	-68	-105	-104

<1> Adjusted to include impact of windfall profits tax on domestic crude oil production.

Source: Model developed by the NATIONAL ASSOCIATION OF REALTORS, and Data Resources, Inc.
Assumptions and simulations by Dr. Jack Carlson, Hugh Graham, Kenneth Kerin, and Glenn Crellin.

Table 2

REAL ESTATE AND FINANCIAL MARKETS — DECEMBER 1981

	QUARTERS								YEARS				
	Actual			Forecast					Actual		Forecast		
	81:1	81:2	81:3	81:4	82:1	82:2	82:3	82:4	1979	1980	1981	1982	1983
REAL ESTATE MARKETS													
Existing Single-Family Home Sales (thousands)	2,543	2,600	2,283	1,968	2,195	2,531	2,635	2,885	3,701	2,881	2,349	2,562	3,413
Percent Change - Year Ago	-15.4	5.5	-25.3	-34.3	-13.7	-2.6	15.4	46.6	-4.2	-22.2	-18.5	9.1	33.2
Dollar Volume (billions)	193.3	204.7	182.0	155.6	175.8	209.7	223.6	248.5	237.6	209.7	183.9	214.4	313.2
New Single-Family Home Sales (thousands)	510	444	362	363	399	447	495	505	709	531	420	461	555
Percent Change - Year Ago	-4.1	-1.8	-39.9	-32.9	-21.8	0.7	36.9	39.1	-13.2	-25.1	-21.1	10.0	20.3
Private Housing Starts (thousands)	1,391	1,176	969	831	1,096	1,260	1,376	1,467	1,745	1,292	1,092	1,300	1,648
Single-Family	874	783	652	474	693	836	948	1,009	1,194	852	696	871	1,136
Multi-Family	517	393	317	357	403	424	429	458	551	440	396	429	512
Subsidized	136	156	155	157	161	163	165	161	120	156	151	163	150
Mobile Home Shipments (thousands)	248	255	244	196	206	221	233	243	276	224	236	226	255
Housing Inventory (millions)	84.2	84.4	84.6	84.7	84.8	84.9	85.1	85.3	82.8	83.7	84.5	85.0	85.9
New Construction Put In Place - (Value)													
New Commercial Buildings (% Change)	54.1	-5.5	13.6	-18.3	-11.6	-9.9	20.8	29.5	33.8	21.7	9.8	-3.5	22.5
New Industrial Buildings (% Change)	78.1	13.1	65.6	-18.2	-12.3	-12.8	31.1	31.8	37.2	-6.7	18.4	2.6	29.9
Rental Vacancy Rate (%)	5.2	5.0	5.0	5.0	5.0	5.0	4.8	4.8	5.4	5.4	5.1	4.9	4.9
Unsold New Homes (% of sales)	65.8	74.2	88.4	94.7	89.0	81.5	76.3	68.5	59.3	70.2	80.8	78.8	61.4
Office Vacancy Rate (%)<1>	3.8	4.1	4.4	4.3	4.3	4.2	4.0	3.9	4.4	3.7	4.1	4.1	3.7
Industrial Vacancy Rate (%)<1>	3.8	3.6	3.7	3.8	3.7	3.6	3.6	3.5	3.0	3.5	3.7	3.6	3.4
Existing Home Prices - Median ($1000's)	64.3	66.4	67.8	67.7	69.0	71.7	73.7	75.1	55.7	62.2	66.6	72.4	80.1
Percent Change - Year Ago	9.4	7.7	5.2	6.9	7.2	7.9	8.8	10.9	14.4	11.7	7.3	8.7	10.7
Monthly Mortgage Payment (P&I, 80%, 30 yr.)	667	721	787	798	726	732	764	799	433	588	744	755	832
Percent of Household Income	27	28	30	30	27	26	27	27	20	25	29	27	26
New Home Prices - Median ($1000's)	67.2	69.0	70.5	71.3	73.1	75.1	77.3	79.5	62.9	64.5	69.5	76.2	86.0
Percent Change - Year Ago	5.6	8.9	7.2	7.1	8.7	8.7	9.5	11.6	12.9	2.7	7.2	9.7	12.8
New Home Prices--Mean ($1000's, Quality Adjusted)	83.3	85.3	85.8	87.1	90.6	92.7	93.5	95.0	70.9	78.7	85.4	93.0	101.5
Percent Change - Year Ago	10.3	8.8	7.2	8.5	8.8	8.7	9.0	9.1	14.2	11.0	8.7	8.9	9.2
FINANCIAL MARKETS													
Total Time and Savings Deposits (% change)	13.1	3.1	5.3	7.6	9.7	10.7	11.1	10.1	8.6	7.5	8.6	8.7	9.2
Savings Rate (%)	4.6	5.4	5.1	6.0	5.4	5.2	6.5	6.5	5.3	5.6	5.3	5.9	7.5
Money Supply (M1B) (% change)	4.9	9.1	0.4	2.9	4.5	4.5	6.5	6.0	7.8	6.3	6.8	4.3	4.9
Money Supply (M2) (% change)	8.5	11.1	8.3	9.5	6.9	6.4	7.4	7.9	8.9	8.9	9.7	7.8	7.5
New Mortgage Commitments ($ billions)	78.2	69.3	46.2	72.4	89.2	97.6	102.0	104.7	129.0	87.1	66.5	98.4	112.3
Percent Change - Year Ago	-9.7	45.1	-61.0	-24.3	14.0	40.7	120.9	44.6	-8.8	-32.5	-23.6	47.8	14.2
Mortgage Debt Outstanding ($ billions)	1,473	1,503	1,530	1,566	1,603	1,640	1,673	1,701	1,266	1,401	1,518	1,654	1,787
Homeowners' Equity ($ billions)	2,827	2,897	2,956	3,013	3,079	3,151	3,234	3,342	2,611	2,750	2,923	3,202	3,667
Selected Interest Rates (Percent)													
New Home Mortgage Commitment Rate	15.40	16.16	17.33	17.60	15.25	14.50	14.88	15.05	11.27	14.00	16.62	14.92	15.39
Corporate Bond Rate (AAA)	13.16	13.98	14.92	14.98	14.38	13.71	13.50	13.64	9.63	11.94	14.26	13.81	13.37
Rate on Money Market Fund Shares	15.67	16.51	17.21	13.04	12.30	13.49	15.85	17.52	11.12	12.89	15.61	14.79	16.49
Commercial Paper Rate	15.34	16.15	16.77	12.85	12.00	13.09	15.40	17.02	10.97	12.66	15.28	14.38	16.12
3 Month Treasury Bill Rate	14.39	14.91	15.05	11.21	10.89	12.27	14.08	15.37	10.07	11.43	13.89	13.15	14.70
Prime Rate	19.21	18.93	20.32	16.40	14.00	15.20	17.14	18.29	12.67	15.27	18.72	16.16	17.84
Federal Funds Rate	16.57	17.78	17.58	13.01	12.13	13.51	15.85	17.50	11.19	13.36	16.23	14.75	16.39

<1> Historical data courtesy of Coldwell Banker.

Source: Model developed by the NATIONAL ASSOCIATION OF REALTORS, and Data Resources, Inc.
Assumptions and simulations by Dr. Jack Carlson, Hugh Graham, Kenneth Kerin, and Glenn Crellin.